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November 24, 1982

Letter Report 246

The Honorable President pro Tempore of the Senate
The Honorable Speaker of the Assembly
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's letter report concerning the California State Board of Landscape Architects. We surveyed the board's operations to determine whether there is a need to conduct a management audit of the board. Based on the results of our review, we do not recommend conducting a management audit of the board at the present time.

Respectfully submitted,

A handwritten signature in cursive script, reading "Walter M. Ingalls".

WALTER M. INGALLS
Chairman, Joint Legislative
Audit Committee



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Thomas W. Hayes
Auditor General

STATE OF CALIFORNIA
Office of the Auditor General
660 J STREET, SUITE 300
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November 22, 1982

Letter Report 246

Honorable Walter M. Ingalls
Chairman, and Members of the
Joint Legislative Audit Committee
925 L Street, Suite 750
Sacramento, California 95814

Dear Mr. Chairman and Members:

In response to a request by the Joint Legislative Audit Committee pursuant to Item 1370-044-757 of the Supplemental Report of the 1982 Budget Act, we have reviewed an audit of the California State Board of Landscape Architects (board) and have surveyed the board's operations to determine whether there is a need to conduct a management audit of the board. We conducted our review under the authority vested in the Auditor General by Section 10500 et seq. of the Government Code. Further, we conducted our review in accordance with generally accepted governmental auditing standards necessary to accomplish the work requested by the Legislature.

The Internal Audit Unit of the Department of Consumer Affairs has conducted the only recent audit of the board. The internal auditors' review of revenue showed that reported board revenues were substantially correct. We reviewed certain board activities and found that they appear to be in conformance with the State's statutory requirements and administrative guidelines. We also found that the board's activities correspond to its program objectives to license, examine, and regulate landscape architects. In addition, the board and the Department of Finance are jointly preparing a zero-base budget for the board's activities for fiscal year 1983-84. Department of Finance staff are assisting the board in examining its expenditures and operations to enable the board to evaluate and rank its program objectives. Based on all of the above, we conclude that a management audit of the board is not necessary at the present time.

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BACKGROUND

As authorized by Section 5615 et seq. of the Business and Professions Code, the California State Board of Landscape Architects, within the Department of Consumer Affairs, is responsible for administering the licensure of landscape architects in the State. In carrying out the licensing process, the board administers examinations to determine the competence of license applicants, issues new and renewal licenses to qualified individuals, reviews the curricula offered by schools of landscape architecture, and accredits those schools meeting the review standards. The board is also responsible both for investigating alleged violations of statutes pertaining to the practice of landscape architecture and for enforcing these statutes.

The board, which consists of six members appointed by the Governor, is staffed by two full-time employees who administer its programs. In addition, the board contracts with the Council of Landscape Architectural Registration Boards, which is a national association of landscape architects, for examination materials and evaluations.

The board's budget for the 1982-83 fiscal year is \$288,000. There are approximately 1,650 licensed landscape architects in the State, and in the last several years, the number of examinees has averaged approximately 350 per examination.

SCOPE AND METHODOLOGY

To determine whether audits of the board's activities had been conducted and whether a management audit should be performed, we interviewed the board's executive secretary, the Department of Consumer Affairs' Internal Audit Manager, and other appropriate accounting and budgeting staff from the Department of Consumer Affairs. We also met with representatives from the Department of Finance and from the State Controller's office. We analyzed board contracts to ascertain whether their terms met with State Administrative Manual guidelines and with the Department of Consumer Affairs' contract review procedures. We examined the board's use of revenue from two deficiency bills that augmented the board's budget. We then reconciled the revenue with the board's expenditures as shown in the Department of Consumer Affairs' accounting and budgetary records. We also examined a sample of board expenditure

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transactions to verify that these expenses were appropriate to board functions and that they were in conformance with state administrative guidelines. Finally, we reviewed the policies and activities of the board to determine that they corresponded to the board's mandated responsibilities.

ANALYSIS

In this section, we first describe the Department of Consumer Affairs' recent audit of the California State Board of Landscape Architects which showed that the board's reported revenues were substantially correct. We then discuss the need for a management audit of the board.

Review of Audits

The Internal Audit Unit of the Department of Consumer Affairs has conducted the only recent audit of the board. This audit examined revenue and internal control features for the period from July 1979 through December 1981. The audit's scope included an examination of the board's Statement of Revenue, and its cashing, licensing, and other procedures. The audit report states that the board's reporting of revenue during this period was satisfactory.

Need for a Management Audit

To determine whether a management audit of the board should be performed, we reviewed the board's activities and fiscal operations. Based upon our examination, we believe there is no need to conduct a management audit. We examined the relationship between the board's activities and its legally established program objectives, and we reviewed the board's activities to determine whether fiscal transactions were processed in accordance with the State's guidelines. The board is addressing the program requirements by administering a technical examination to prospective landscape architects each year, renewing the licenses of landscape architects every two years, accrediting the curricula of schools of landscape architecture, and receiving and resolving consumer complaints against landscape architects.

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We also reviewed a sample of the board's transactions during the period from July 1, 1979, through June 30, 1981, including the board's contracts and other operating expenditures. We found that these transactions had been processed in accordance with the State's administrative guidelines.

In addition, for fiscal year 1983-84, the Department of Finance is cooperating with the board to develop a zero-base budget, as required by the Supplemental Report of the 1982 Budget Act. This zero-base process requires the board to examine all of its program operations and then to develop a budget involving first a minimal funding level needed to sustain a program and then additional funding levels for increased program activities. Finally, the board will select an optimal expenditure level for each program according to the board's priorities.

CONCLUSION

Based on the Department of Consumer Affairs' internal audit, the results of our review, and the budgeting activities of the Department of Finance, we do not recommend conducting a management audit of the board at the present time.

Respectfully submitted,

for 
THOMAS W. HAYES
Auditor General

Staff: Robert E. Christophel, Audit Manager
Karen A. Nelson
Marlene Keller

Attachment: Response to the Auditor General's Letter Report
Board of Landscape Architects



BOARD OF LANDSCAPE ARCHITECTS

1021 O STREET, SACRAMENTO, CALIFORNIA 95814
TELEPHONE: (916) 445-4954



November 12, 1982

Mr. Thomas W. Hayes, Auditor General
State of California
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Subject: Letter Report 246 - Dated November 9, 1982

Dear Mr. Hayes:

I have reviewed the draft copy of your Letter Report 246 concerning the California State Board of Landscape Architects dated November 9, 1982, and agree with its conclusions.

The Board will continue to make, with the assistance of the Department, every effort to provide good management in its operation.

Sincerely,



JOE HEATH
Executive Secretary

CC: Richard Spohn, Director
Department of Consumer Affairs

JH/db